

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO: ML-20714	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: NATURAL BUTTES UNIT	
2. NAME OF OPERATOR: WESTPORT OIL & GAS COMPANY, L.P.		9. WELL NAME and NUMBER: NBU 1022-190	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7060	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 740' FSL 2065' FEL 429921X 39.929068 AT PROPOSED PRODUCINGZONE: 4420781Y -109.479606		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 19 10S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 20.3 MILES SOUTHEAST OF OURAY, UTAH		12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 740'	16. NUMBER OF ACRES IN LEASE: 320	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C	19. PROPOSED DEPTH: 8,800	20. BOND DESCRIPTION: RLB0005238	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5360.2' GL	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION: TO BE DETERMINED	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
	14"			40				
12 1/4"	9 5/8"	H-40	32.3#	1,850	PREM CMT	265 SX	1.18	15.6
7 7/8"	4 1/2"	I-80	11.6#	8,800	PREM LITE II	400 SX	3.38	11
					50/50 POZ G	1380 SX	1.31	14.3

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) DEBRA DOMENICI TITLE ASSOC. ENVIRONMENTAL ANALYST  
SIGNATURE *Debra Domenici* DATE 2/8/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37782

Approved by the  
Utah Division of  
Oil, Gas and Mining  
APPROVAL:  
Date: 2-22-06  
By: *[Signature]*

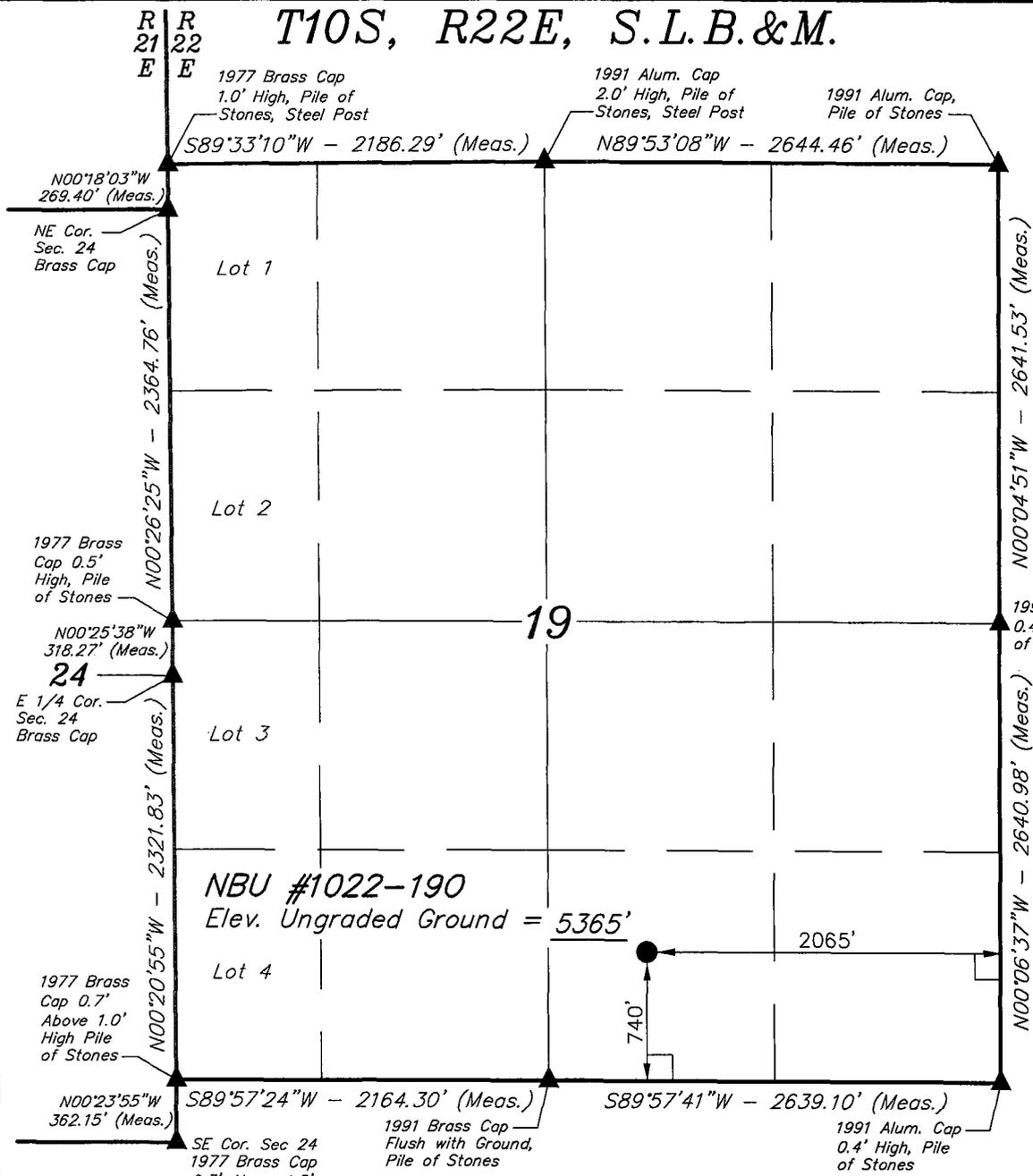
RECEIVED  
FEB 14 2006

DIV. OF OIL, GAS & MINING

# T10S, R22E, S.L.B.&M.

## Kerr-McGee Oil & Gas Onshore LP

Well location, NBU #1022-190 located as shown in the SW 1/4 SE 1/4 of Section 19, T10S, R22E, S.L.B.&M. Uintah County, Utah.

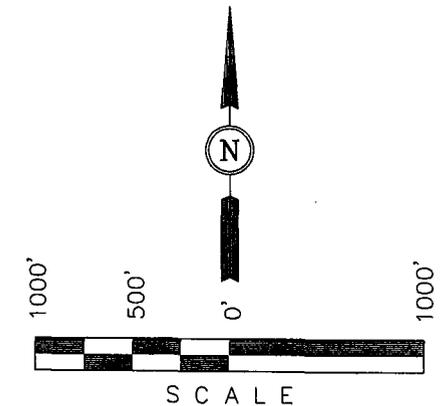


### BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*John A. ...*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

REVISED: 01-15-06

**UINTAH ENGINEERING & LAND SURVEYING**  
 85 SOUTH 200 EAST - VERNAL, UTAH 84078  
 (435) 789-1017

- LEGEND:**
- └─┘ = 90° SYMBOL
  - = PROPOSED WELL HEAD.
  - ▲ = SECTION CORNERS LOCATED.

(NAD 83)  
 LATITUDE = 39°55'45.07" (39.929186)  
 LONGITUDE = 109°28'49.40" (109.480389)  
 (NAD 27)  
 LATITUDE = 39°55'45.19" (39.929219)  
 LONGITUDE = 109°28'46.94" (109.479706)

SCALE 1" = 1000'	DATE SURVEYED: 12-05-05	DATE DRAWN: 12-09-05
PARTY P.J. N.F. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE Kerr-McGee Oil & Gas Onshore LP	

NBU 1022-190  
SWSE SEC 19-T10S-R22E  
UINTAH COUNTY, UTAH  
ML-20714

ONSHORE ORDER NO. 1

***DRILLING PROGRAM***

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1170'
Wasatch	4370'
Mesaverde	6750'
TD	8800'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1170'
Gas	Wasatch	4370'
Gas	Mesaverde	6750'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

*Please refer to the attached Drilling Program.*

4. **Proposed Casing & Cementing Program:**

*Please refer to the attached Drilling Program.*

5. **Drilling Fluids Program:**

*Please refer to the attached Drilling Program.*

6. **Evaluation Program:**

*Please refer to the attached Drilling Program.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8800' TD, approximately equals 5456 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3520 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

*Drilling is planned to commence immediately upon approval of this application.*

9. **Variances:**

*Please refer to the attached Drilling Program.*

10. **Other Information:**

*Please refer to the attached Drilling Program.*





**Kerr-McGee Oil & Gas Onshore LP  
DRILLING PROGRAM**

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPL.G.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 1850	32.30	H-40	STC	0.73*****	1.71	4.85
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 8800	11.60	M-80 or I-80	LTC	2.51	1.26	2.26

1) Max Anticipated Surf. Press. (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft-partial evac gradient x TVD of next csg point))  
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)  
 (Burst Assumptions: TD = 11.0 ppg) .22 psi/ft = gradient for partially evac wellbore  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)  
 MASP 3098 psi

\*\*\*\*\* Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	LEAD	1500	NOTE: If well will circulate water to surface, option 2 will be utilized Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,870'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	400	60%	11.00	3.38
	TAIL	4,930'	50/50 Poz/G + 10% salt + 2% gel	1380	60%	14.30	1.31

\*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained  
 \*Substitute caliper hole volume plus 15% excess for TAIL if accurate caliper is obtained

**FLOAT EQUIPMENT & CENTRALIZERS**

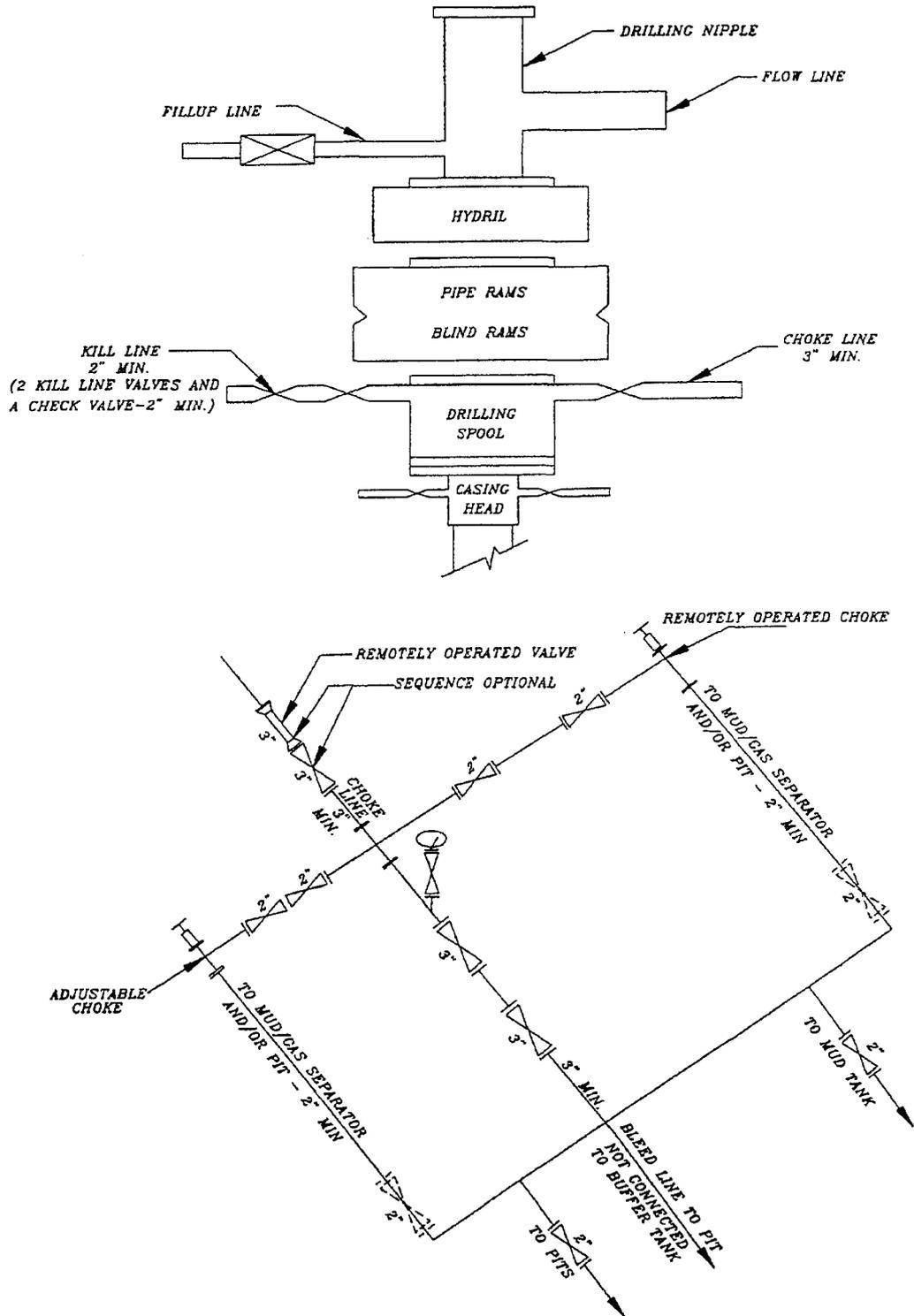
SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

**ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.  
 BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.  
 Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.  
 Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER: \_\_\_\_\_ DATE: \_\_\_\_\_  
 Brad Laney  
 DRILLING SUPERINTENDENT: \_\_\_\_\_ DATE: \_\_\_\_\_  
 Randy Bayne

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



**NBU 1022-190  
SWSE SEC 19-T10S-R22E  
Uintah County, UT  
ML-20714**

**ONSHORE ORDER NO. 1**

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

**1. Existing Roads:**

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

**2. Planned Access Roads:**

Approximately 290' of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

***Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.***

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

**3. Location of Existing Wells Within a 1-Mile Radius**

Please refer to Topo Map C.

**4. Location of Existing & Proposed Facilities**

*The following guidelines will apply if the well is productive.*

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain

fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 347' of pipeline is proposed. Refer to Topo D for the proposed pipeline.

**5. Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

**6. Source of Construction Materials**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

**7. Methods of Handling Waste Materials**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

**8. Ancillary Facilities**

None are anticipated.

**9. Well Site Layout: (See Location Layout Diagram)**

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

**10. Plans for Reclamation of the Surface:**

*Producing Location:*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

*Dry Hole/Abandoned Location:*

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. **Surface Ownership:**

SITLA  
675 East 500 South, Suite 500  
Salt Lake City, UT 84102

12. **Other Information:**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey has been completed and is attached.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it Within 460' of any non-committed tract lying within the boundaries of the Unit.

13. **Lessee's or Operators's Representative & Certification:**

Debra Domenici  
Associate Environmental Analyst  
Kerr-McGee Oil & Gas Onshore LP  
1368 South 1200 East.  
Vernal, UT 84078  
(435) 781-7060

Randy Bayne  
Drilling Manager  
Kerr-McGee Oil & Gas Onshore LP  
1368 South 1200 East  
Vernal, UT 84078  
(435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005236.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

*Debra Domenici*  
Debra Domenici

2/8/2006  
Date

Kerr-McGee Oil & Gas Onshore LP  
NBU #1022-190  
SECTION 19, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 8.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 290' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 51.35 MILES.

# Kerr-McGee Oil & Gas Onshore LP

## NBU #1022-190

LOCATED IN UTAH COUNTY, UTAH  
SECTION 19, T10S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

- Since 1964 -

LOCATION PHOTOS

12 06 05  
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J. | DRAWN BY: L.K. | REVISED: 01-06-16

# Kerr-McGee Oil & Gas Onshore LP

NBU #1022-190

PIPELINE ALIGNMENT

LOCATED IN UTAH COUNTY, UTAH

SECTION 19, T10S, R22E, S.L.B.&M.



PHOTO: VIEW OF TIE IN POINT

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

**U** **E** **L** **S** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

PIPELINE PHOTO

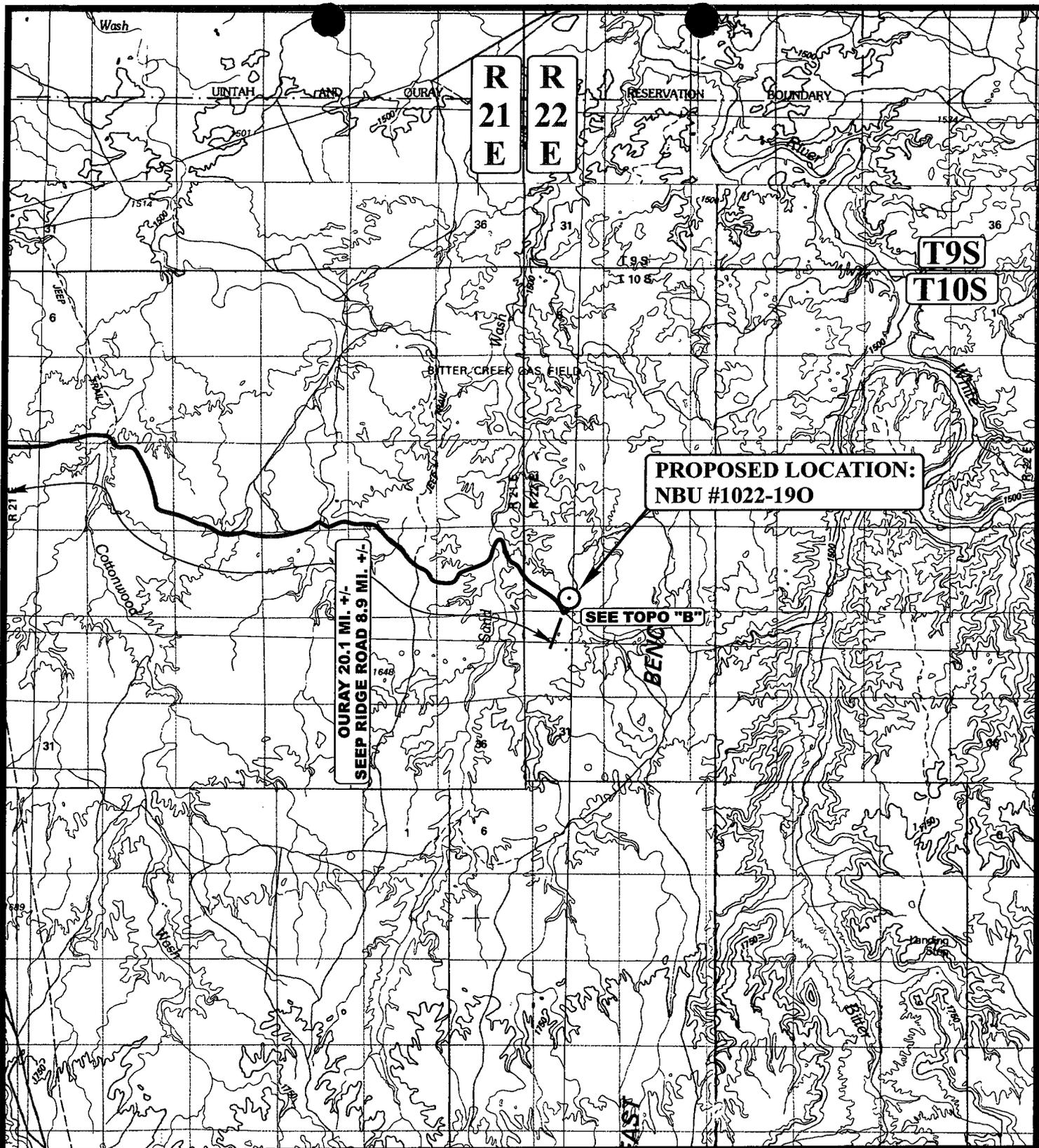
12 06 05  
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: L.K.

REVISED: 01-16-06



**LEGEND:**

○ PROPOSED LOCATION

**Kerr-McGee Oil & Gas Onshore LP**

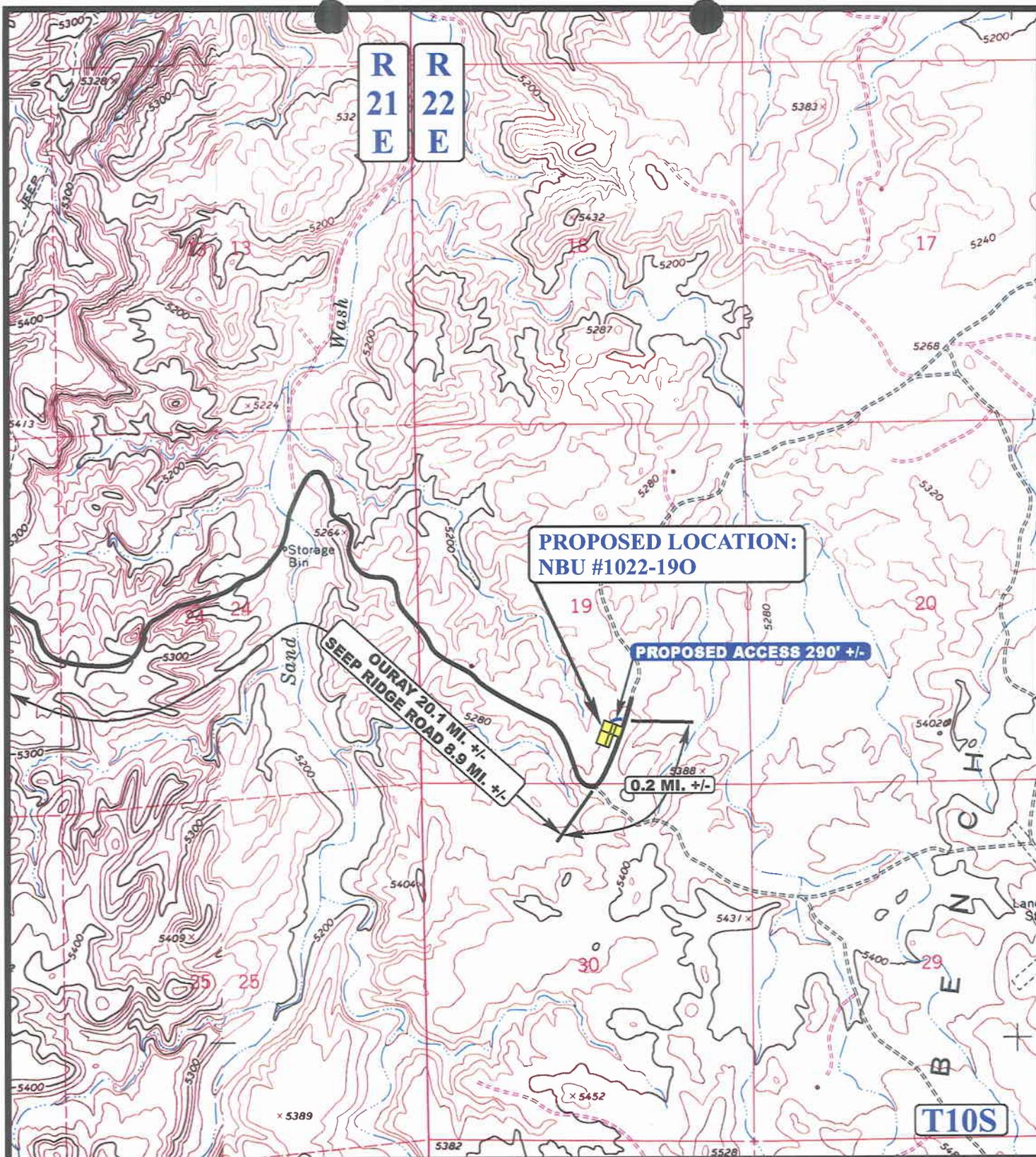
**NBU #1022-190**  
**SECTION 19, T10S, R22E, S.L.B.&M.**  
**740' FSL 2065' FEL**

**UES** Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC** 12 06 05  
**MAP** MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 01-16-06





**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

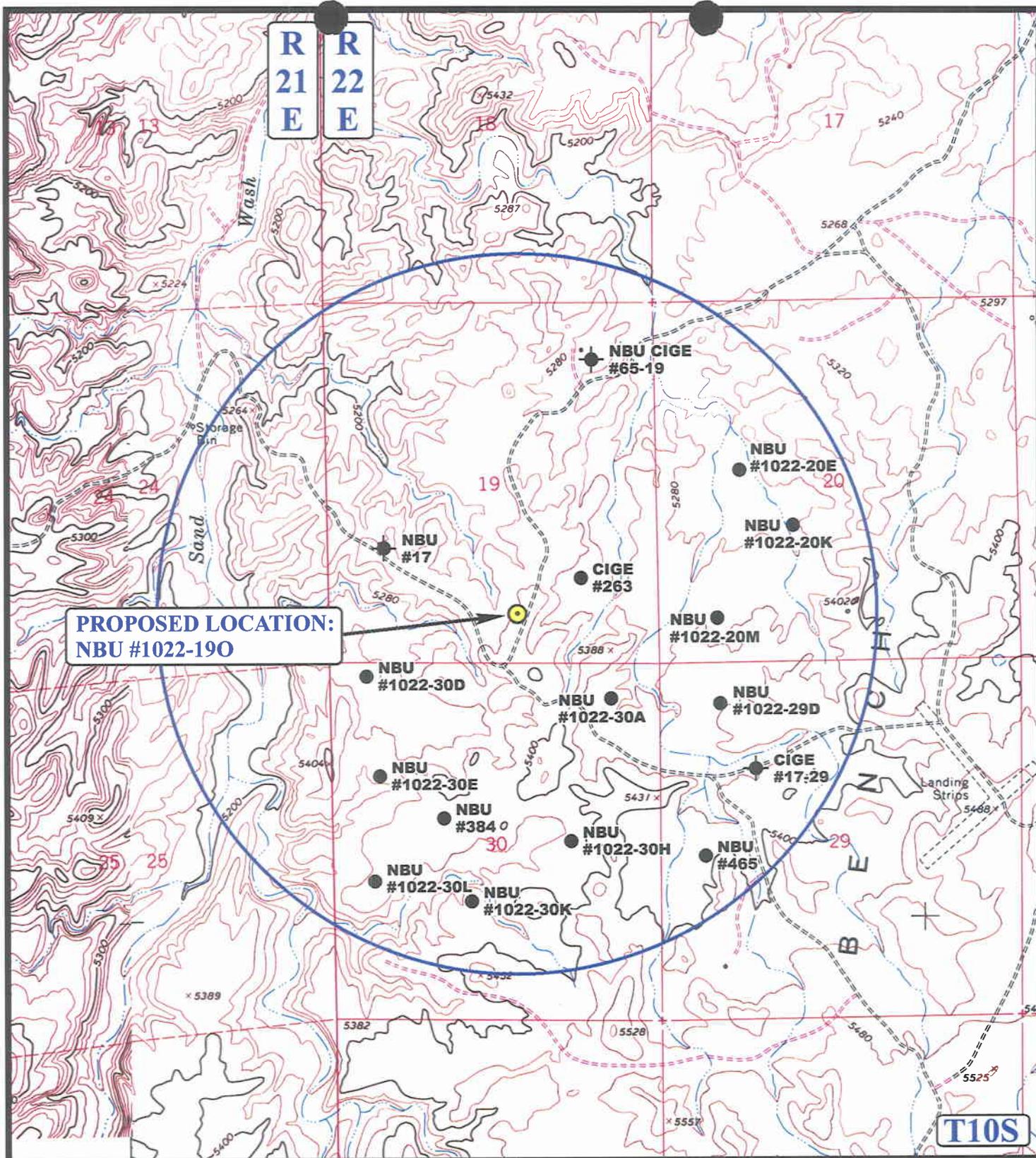


**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-190**  
**SECTION 19, T10S, R22E, S.L.B.&M.**  
**740' FSL 2065' FEL**

**U&L S** Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 12 06 05  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 01-16-06 **B**  
 TOPO



**PROPOSED LOCATION:  
NBU #1022-190**

**LEGEND:**

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-190**  
**SECTION 19, T10S, R22E, S.L.B.&M.**  
**740' FSL 2065' FEL**

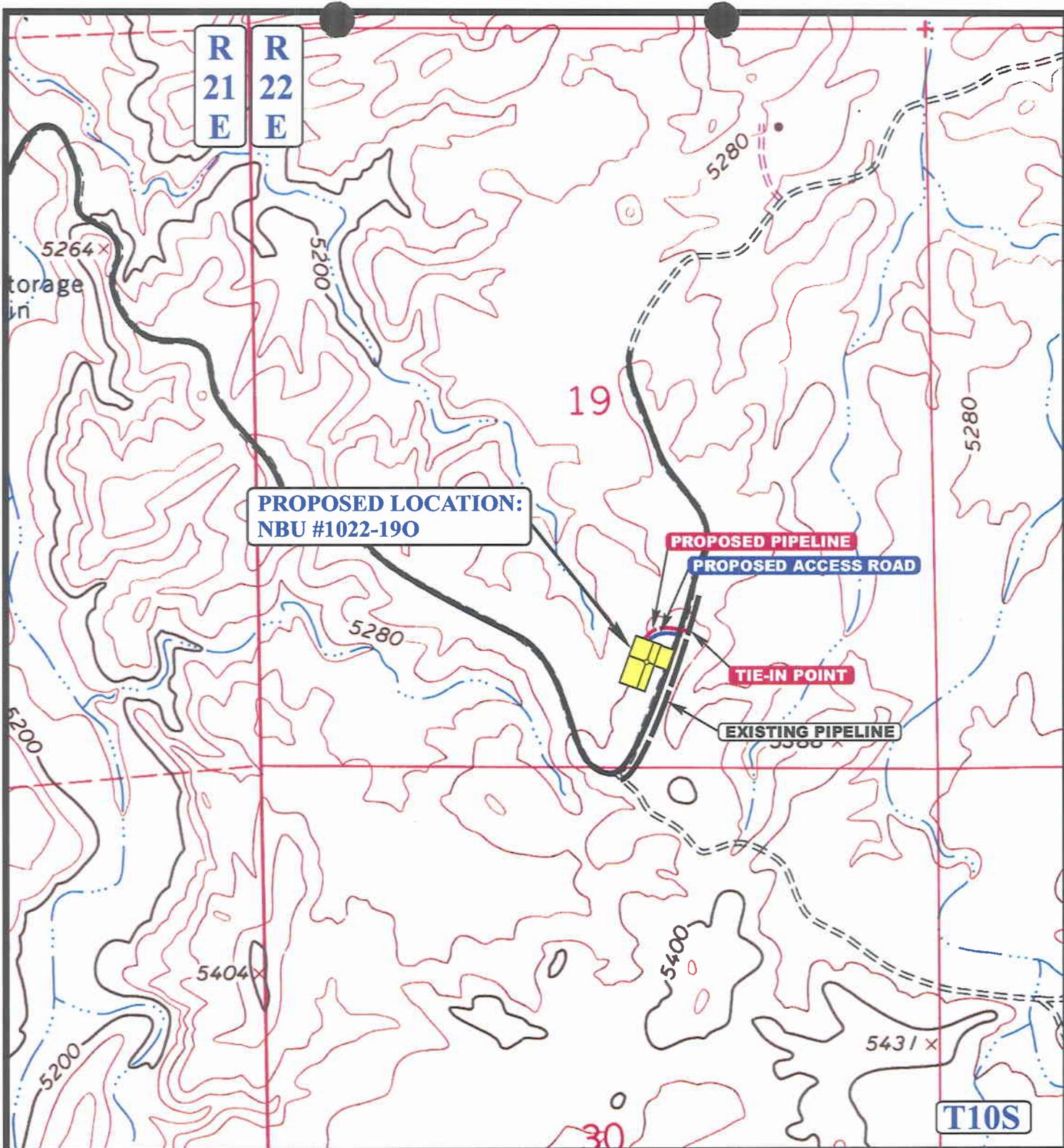


**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 12 06 05  
**MAP** MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 01-16-06





**APPROXIMATE TOTAL PIPELINE DISTANCE = 347' +/-**

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED PIPELINE (SERVICING OTHER WELLS)



**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-190**  
**SECTION 19, T10S, R22E, S.L.B.&M.**  
**740' FSL 2065' FEL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**12 06 05**  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 01-16-06



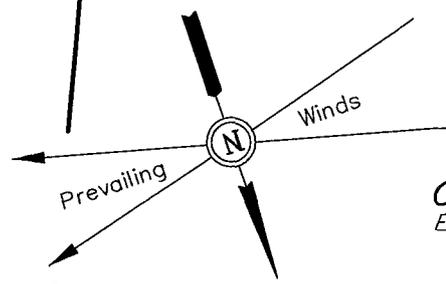
# Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

## LOCATION LAYOUT FOR

NBU #1022-190  
SECTION 19, T10S, R22E, S.L.B.&M.  
740' FSL 2065' FEL

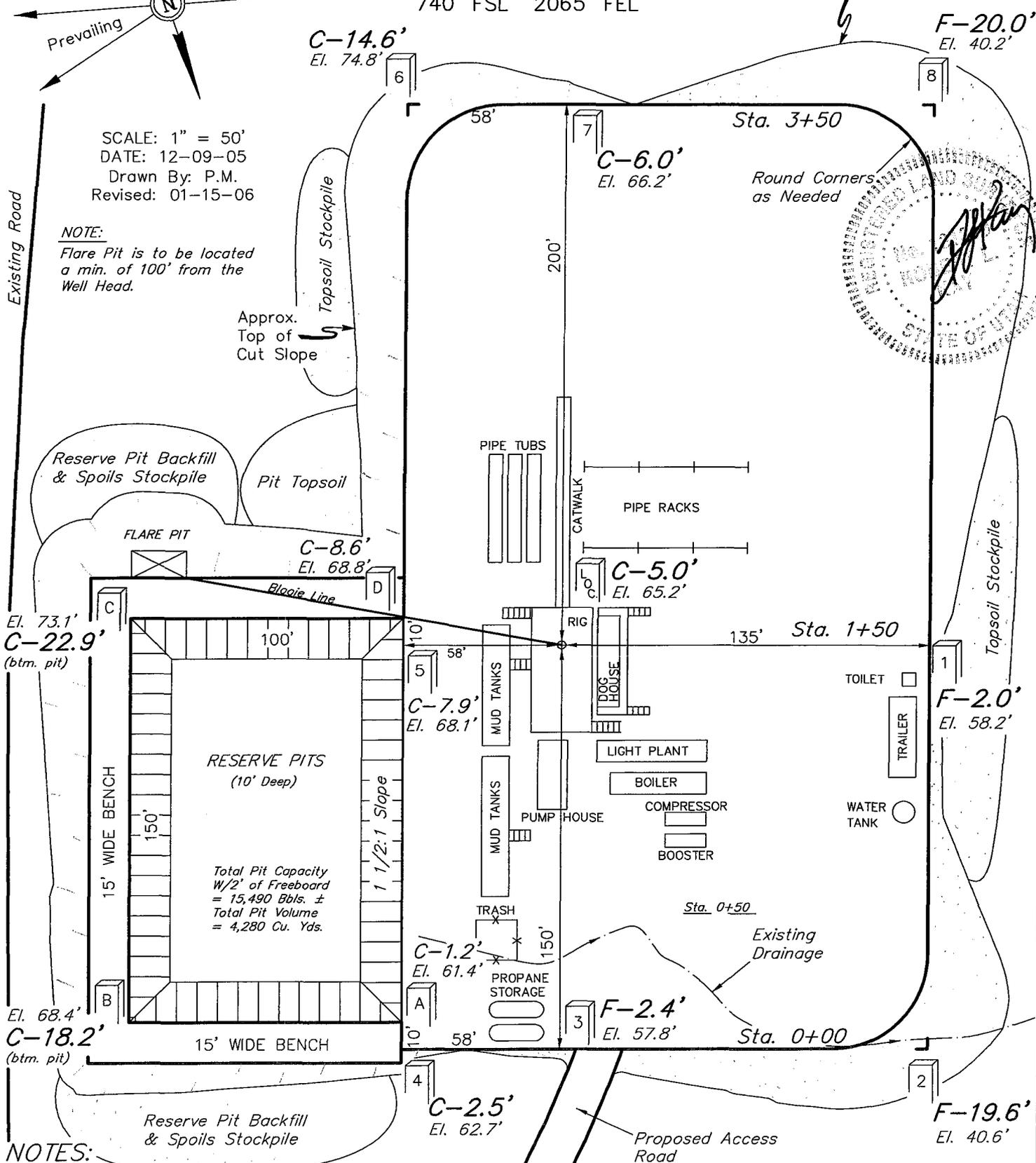
Approx.  
Toe of  
Fill Slope



SCALE: 1" = 50'  
DATE: 12-09-05  
Drawn By: P.M.  
Revised: 01-15-06

NOTE:  
Flare Pit is to be located  
a min. of 100' from the  
Well Head.

Existing Road



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5365.2'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5360.2'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

# Kerr-McGee Oil & Gas Onshore LP

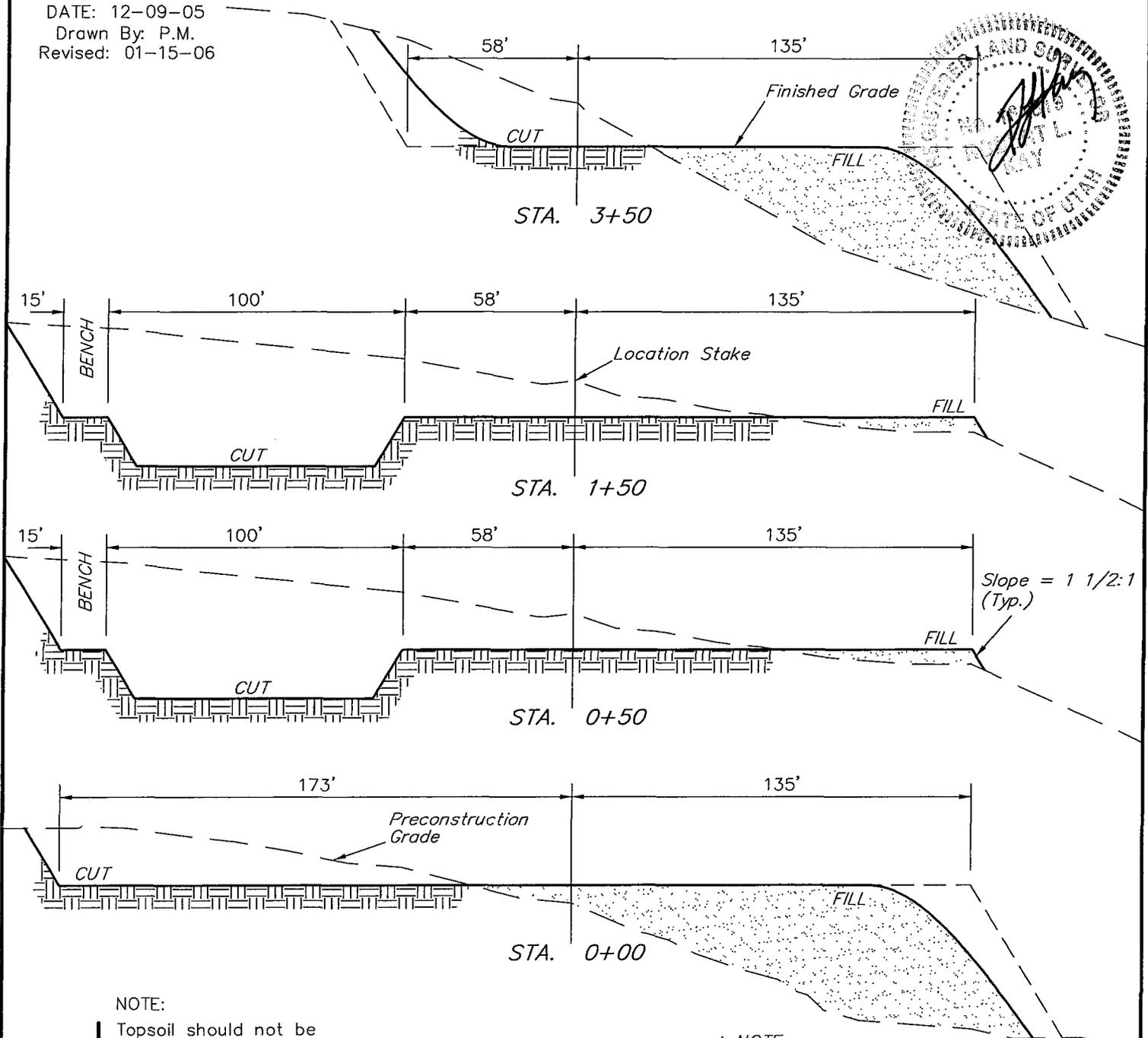
FIGURE #2

## TYPICAL CROSS SECTIONS FOR

NBU #1022-190  
SECTION 19, T10S, R22E, S.L.B.&M.  
740' FSL 2065' FEL

X-Section Scale  
1" = 20'  
1" = 50'

DATE: 12-09-05  
Drawn By: P.M.  
Revised: 01-15-06



**NOTE:**

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

**\* NOTE:**

FILL QUANTITY INCLUDES 5% FOR COMPACTION

**APPROXIMATE YARDAGES**

<b>CUT</b>	
(6") Topsoil Stripping	= 2,150 Cu. Yds.
Remaining Location	= 15,780 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 17,930 CU.YDS.</b>
<b>FILL</b>	<b>= 13,640 CU.YDS.</b>

EXCESS MATERIAL	= 4,290 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,290 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:  
3160  
(UT-922)

March 2, 2006

### Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Natural Buttes Unit Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Wasatch-MesaVerde)		
43-047-37738	NBU 1022-19F	Sec 19 T10S R22E 2239 FNL 1622 FWL
43-047-37739	NBU 1022-19D	Sec 19 T10S R22E 0732 FNL 0640 FWL
43-047-37740	NBU 1022-19C	Sec 19 T10S R22E 0896 FNL 1891 FWL
43-047-37765	NBU 1022-16J	Sec 16 T10S R22E 2302 FSL 1901 FEL
43-047-37766	NBU 1022-16P	Sec 16 T10S R22E 0724 FSL 0973 FEL
43-047-37767	NBU 1022-16L	Sec 16 T10S R22E 1904 FSL 0343 FWL
43-047-37768	NBU 1022-18H	Sec 18 T10S R22E 1947 FNL 0465 FEL
43-047-37769	NBU 1022-18G	Sec 18 T10S R22E 1870 FNL 1383 FEL
43-047-37770	NBU 1022-18I	Sec 18 T10S R22E 1592 FSL 0803 FEL
43-047-37771	NBU 1022-18E	Sec 18 T10S R22E 1656 FNL 0606 FWL
43-047-37772	NBU 1022-18J	Sec 18 T10S R22E 2158 FSL 2171 FEL
43-047-37773	NBU 1022-18N	Sec 18 T10S R22E 0125 FSL 1249 FWL
43-047-37774	NBU 1022-18B	Sec 18 T10S R22E 0818 FNL 2040 FEL
43-047-37775	NBU 1022-18P	Sec 18 T10S R22E 0169 FSL 0249 FEL
43-047-37776	NBU 1022-18D	Sec 18 T10S R22E 0765 FNL 0311 FWL
43-047-37777	NBU 1022-18O	Sec 18 T10S R22E 0134 FSL 2445 FEL
43-047-37783	NBU 1022-19K	Sec 19 T10S R22E 1509 FSL 1427 FWL
43-047-37778	NBU 1022-19H	Sec 19 T10S R22E 2298 FNL 1086 FEL
43-047-37779	NBU 1022-19B	Sec 19 T10S R22E 0696 FNL 2180 FEL
43-047-37780	NBU 1022-19G	Sec 19 T10S R22E 2069 FNL 2241 FEL
43-047-37781	NBU 1022-19I	Sec 19 T10S R22E 2135 FSL 0460 FEL
43-047-37782	NBU 1022-19O	Sec 19 T10S R22E 0740 FSL 2065 FEL
43-047-37734	NBU 1021-27E	Sec 27 T10S R21E 1862 FNL 0535 FWL
43-047-37728	NBU 1021-28G	Sec 28 T10S R21E 1952 FNL 1971 FEL
43-047-37721	NBU 1021-13C	Sec 13 T10S R21E 0576 FNL 1772 FWL
43-047-37722	NBU 1021-13A	Sec 13 T10S R21E 0651 FNL 1311 FEL

Page 2

43-047-37723	NBU 1021-13G	Sec 13	T10S	R21E	1444	FNL	2651	FEL
43-047-37724	NBU 1021-13K	Sec 13	T10S	R21E	1935	FSL	1486	FWL
43-047-37725	NBU 1021-13I	Sec 13	T10S	R21E	2353	FSL	0668	FEL
43-047-37727	NBU 1021-13O	Sec 13	T10S	R21E	0777	FSL	1573	FEL
43-047-37761	NBU 920-20P	Sec 20	T09S	R20E	0769	FSL	0978	FEL
43-047-37760	NBU 920-20O	Sec 20	T09S	R20E	0842	FSL	1913	FEL
43-047-37759	NBU 920-20N	Sec 20	T09S	R20E	0803	FSL	1885	FWL
43-047-37758	NBU 920-20M	Sec 20	T09S	R20E	0630	FSL	0838	FWL
43-047-37757	NBU 920-20L	Sec 20	T09S	R20E	2104	FSL	0827	FWL
43-047-37756	NBU 920-20J	Sec 20	T09S	R20E	1466	FSL	1653	FEL
43-047-37755	NBU 920-20I	Sec 20	T09S	R20E	1955	FSL	0717	FEL
43-047-37732	NBU 920-22E	Sec 22	T09S	R20E	2009	FNL	0756	FWL
43-047-37764	NBU 920-24M	Sec 24	T09S	R20E	0614	FSL	0851	FWL
43-047-37753	NBU 920-14M	Sec 14	T09S	R20E	0536	FSL	0612	FWL
43-047-37754	NBU 920-14N	Sec 14	T09S	R20E	0732	FSL	1805	FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File – Natural Buttes Unit  
Division of Oil Gas and Mining  
Central Files

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 3/21/2006 2:04:01 PM  
**Subject:** Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Delta Petroleum Corporation

Greentown State 36-11 (Cleared alternative location)  
Greentown State 32-43 (Cleared alternative location)  
Salt Valley State 25-12 (Cleared alternative road alignment)

EOG Resources, Inc

Natural Buttes Unit 438-19E  
Natural Buttes Unit 439-19E  
Natural Buttes Unit 562-19E  
Natural Buttes Unit 563-19E  
Natural Buttes Unit 565-30E

Gasco Production Company

Uteland State 21-2-10-18  
Uteland State 12-2-10-18

QEP Uinta Basin, Inc

RW 24-16BG  
BBE 9W-16-7-21

Westport Oil & Gas Company

NBU 1022-18G (two significant sites along pipeline corridor must be avoided)  
NBU 1022-19B  
NBU 1022-19H  
NBU 1022-19I  
NBU 1022-19O

If you have any questions regarding this matter please give me a call.

**CC:** Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/14/2006

API NO. ASSIGNED: 43-047-37782

WELL NAME: NBU 1022-190  
 OPERATOR: WESTPORT OIL & GAS CO ( N2115 )  
 CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

SWSE 19 100S 220E  
 SURFACE: 0740 FSL 2065 FEL  
 BOTTOM: 0740 FSL 2065 FEL  
 COUNTY: UINTAH  
 LATITUDE: 39.92907 LONGITUDE: -109.4796  
 UTM SURF EASTINGS: 629921 NORTHINGS: 4420781  
 FIELD NAME: NATURAL BUTTES ( 630 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	Dreg	3/2/06
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-20714  
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. RLB0005236 )
- N Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-8496 )
- N RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- NP Fee Surf Agreement (Y/N)
- NA Intent to Commingle (Y/N)

LOCATION AND SITING:

- \_\_\_ R649-2-3.
- Unit: NATURAL BUTTES
- \_\_\_ R649-3-2. General  
Siting: 460' From Qtr/Qtr & 920' Between Wells
- \_\_\_ R649-3-3. Exception
- Drilling Unit  
Board Cause No: 17314  
Eff Date: 12-2-99  
Siting: 460' fr W. barge E. unknown Tract
- \_\_\_ R649-3-11. Directional Drill

COMMENTS:

Needs Present (02-23-06)

STIPULATIONS:

- 1 - OIL SHALE
- 2 - STATEMENT OF BASIS



**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**OPERATOR:** Westport Oil & Gas Company, L.P.  
**WELL NAME & NUMBER:** NBU 1022-190  
**API NUMBER:** 43-047-37782  
**LOCATION:** 1/4,1/4 SW/SE Sec: 19 TWP: 10S RNG: 22E ; 740' FSL 2065' FEL

**Geology/Ground Water:**

Westport proposes to set 1,850' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 5,300'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 19. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The production casing cement should be brought above the base of the moderately saline groundwater to isolate it from fresher waters uphole.

**Reviewer:** Brad Hill **Date:** 03/01/06

**Surface:**

The pre-drill investigation of the surface was performed on February 23, 2006. The site is State surface and State Mineral. The proposed location poses no obvious problems for drilling and appears to be the best location for drilling a well in the immediate area. A very shallow drainage crossing this site will be re-routed around the north side of location.

Ed Bonner and Jim Davis of SITLA and Ben Williams of UDWR were invited to attend the presite on Feb.14, 2006. Mr. Davis and Mr. Williams attended.

Mr. Williams of the UDWR stated that the area is classified as critical yearlong antelope range, however he did not recommend any stipulations, as water is the limiting factor affecting the population not forage. No other wildlife are expected to be affected. He gave Mr. Davis and Mr. Estes copies of his write-up and a DWR recommended seed mix to use on the reserve pit and when closing the location.

This predrill investigation was conducted on a cool sunny day.

**Reviewer:** David Hackford **Date:** 02/27/2006

**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 16 mils with a felt sub-liner shall be properly installed and maintained in the reserve pit.

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

**OPERATOR:** Westport Oil & Gas Company, L.P.  
**WELL NAME & NUMBER:** NBU 1022-190  
**API NUMBER:** 43-047-37782  
**LEASE:** ML-20714 **FIELD/UNIT:** Natural Buttes  
**LOCATION:** 1/4, 1/4 SW/SE Sec: 19 TWP: 10S RNG: 22E ; 740' FSL 2065' FEL  
**LEGAL WELL SITING:** 460' from unit boundary and uncommitted tracts.  
**GPS COORD (UTM):** 4420799 Y 0629914 X **SURFACE OWNER:** State of Utah (SITLA)

**PARTICIPANTS**

Floyd Bartlett, David Hackford (DOGM), Carol Estes, Debra Domenici, Clay Einerson (Westport), David Kay, Luke Kay (Uintah Engineering & Land Survey), Jim Davis (SITLA), Ben Williams (Utah Division of Wildlife Resources).

**REGIONAL/SETTING TOPOGRAPHY**

General area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 22 miles southeast of Ouray, Utah. Access is by State of Utah Highway, Uintah County and oilfield development roads.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 4 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

This site is in a relatively flat area with shallow draws heading 400' to the northwest and 600' to the southeast. Both draws drain to the north. One very small drainage crosses this site and will be re-routed around location.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Sheep grazing, limited hunting and recreation.

PROPOSED SURFACE DISTURBANCE: Location of 350' x 193' and a reserve pit of 100' x 150' x 10 feet deep and an additional 15' wide bench. Approximately 290 feet of new road will be required. All material for the location and road will be obtained onsite.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: See attached map from GIS data base.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline will follow access road.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be obtained from the site.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST CONCERNS? (EXPLAIN). Unlikely, as the general use in the area is oil-field related with numerous other wells in the surrounding area.

#### **WASTE MANAGEMENT PLAN:**

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill.

#### **ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: A poor desert type vegetation consisting of greasewood, shadscale, horsebrush and curly mesquite. Antelope, rabbits, small reptiles, birds and mammals. Sheep graze the area in the winter.

SOIL TYPE AND CHARACTERISTICS: Gravely sandy clay loam.

EROSION/SEDIMENTATION/STABILITY: Little natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems.

PALEONTOLOGICAL POTENTIAL: Survey completed by IPC on 9/27/05 and furnished for the file.

#### **RESERVE PIT**

CHARACTERISTICS: 100' by 150' and 10' deep. The reserve pit is all within cut on the east side of the location. A 15' wide bench is planned around the outer edges and 2' of freeboard.

LINER REQUIREMENTS (Site Ranking Form attached): Level 1 sensitivity. A 16 mil liner with a felt pad will be required for the reserve pit.

#### **SURFACE RESTORATION/RECLAMATION PLAN**

As per SITLA requirements.

#### **SURFACE AGREEMENT:**

As per SITLA requirements.

CULTURAL RESOURCES/ARCHAEOLOGY: Site was surveyed by MOAC on 9/21/05. A copy has been furnished to SITLA.

OTHER OBSERVATIONS/COMMENTS

Ben Williams of the UDWR stated that the area is classified as critical yearlong antelope range, however he did not recommend any stipulations, as water is the limiting factor affecting the population not forage. No other wildlife is expected to be affected.

This predrill investigation was conducted on a cool sunny day.

ATTACHMENTS

Photos of this site were taken and placed on file.

DAVID HACKFORD  
DOGM REPRESENTATIVE

02/23/06; 2:45 PM

DATE/TIME

**Evaluation Ranking Criteria and Ranking Scale  
For Reserve and Onsite Pit Liner Requirements**

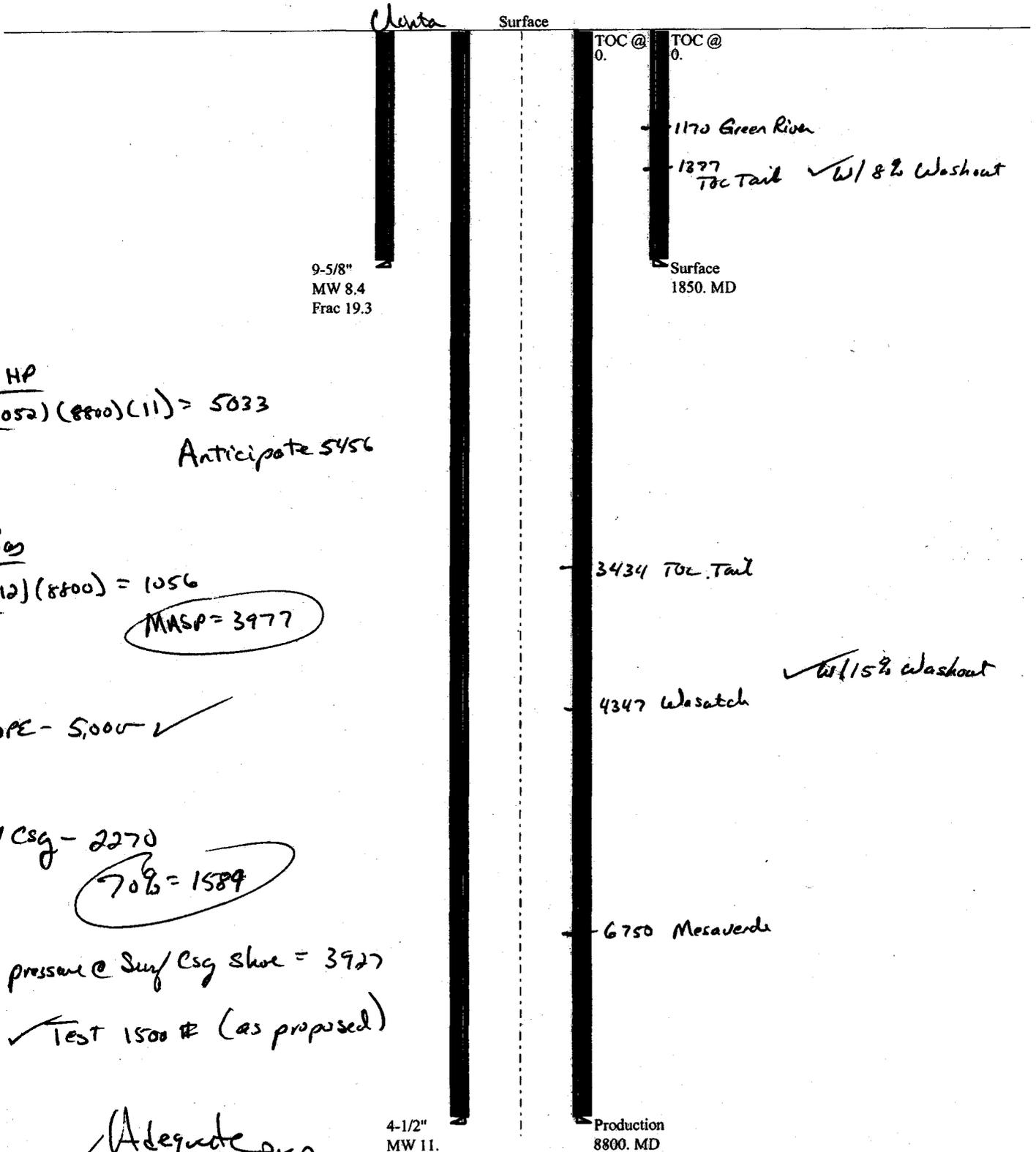
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>10</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**                      25                      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.  
Sensitivity Level I = 15-19; lining is discretionary.  
Sensitivity Level II = below 15; no specific lining is required.

03-06 Westport NBU 1022 90

Casing Schematic



BHP  
 $(0.52)(8800)(11) = 5033$   
 Anticipate 5456

G<sub>0</sub>  
 $(0.12)(8800) = 1056$   
 MASP = 3977

BOPE - 5,000 ✓

Surf Csg - 2270  
 $70\% = 1589$

Max pressure @ Surf Csg shoe = 3927

✓ Test 1500 # (as proposed)

✓ Adequate OKO 3/2/06

Well name:	<b>03-06 Westport NBU 1022-190</b>	
Operator:	<b>Westport Oil &amp; Gas</b>	Project ID:
String type:	<b>Surface</b>	<b>43-047-37782</b>
Location:	<b>Uintah County, Utah</b>	

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 1,628 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP: 1,850 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on buoyed weight.  
Neutral point: 1,622 ft

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 101 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

**Re subsequent strings:**

Next setting depth: 8,800 ft  
Next mud weight: 11,000 ppg  
Next setting BHP: 5,029 psi  
Fracture mud wt: 19,250 ppg  
Fracture depth: 1,850 ft  
Injection pressure: 1,850 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft <sup>3</sup> )
1	1850	9.625	32.30	H-40	ST&C	1850	1850	8.876	117.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	807	1370	1.697	1850	2270	1.23	52	254	4.85 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: (810) 538-5280  
FAX: (801) 359-3940

Date: March 1, 2006  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 1850 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>03-06 Westport NBU 1022-190</b>	
Operator:	<b>Westport Oil &amp; Gas</b>	Project ID:
String type:	Production	43-047-37782
Location:	Uintah County, Utah	

**Design parameters:**

**Collapse**  
 Mud weight: 11.000 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**  
 Design factor 1.125

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 198 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

**Burst:**  
 Design factor 1.00

Cement top: Surface

**Burst**

Max anticipated surface pressure: 3,973 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP 5,029 psi

**Tension:**  
 8 Round STC: 1.80 (J)  
 8 Round LTC: 1.80 (J)  
 Buttress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.50 (B)

Non-directional string.

No backup mud specified.

Tension is based on buoyed weight.  
 Neutral point: 7,353 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft <sup>3</sup> )
1	8800	4.5	11.60	M-80	LT&C	8800	8800	3.875	204
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Klps)	Tension Strength (Klps)	Tension Design Factor
1	5029	6350	1.263	5029	7780	1.55	85	267	3.13 B

Prepared by: Clinton Dworshak  
 Utah Div. of Oil & Mining

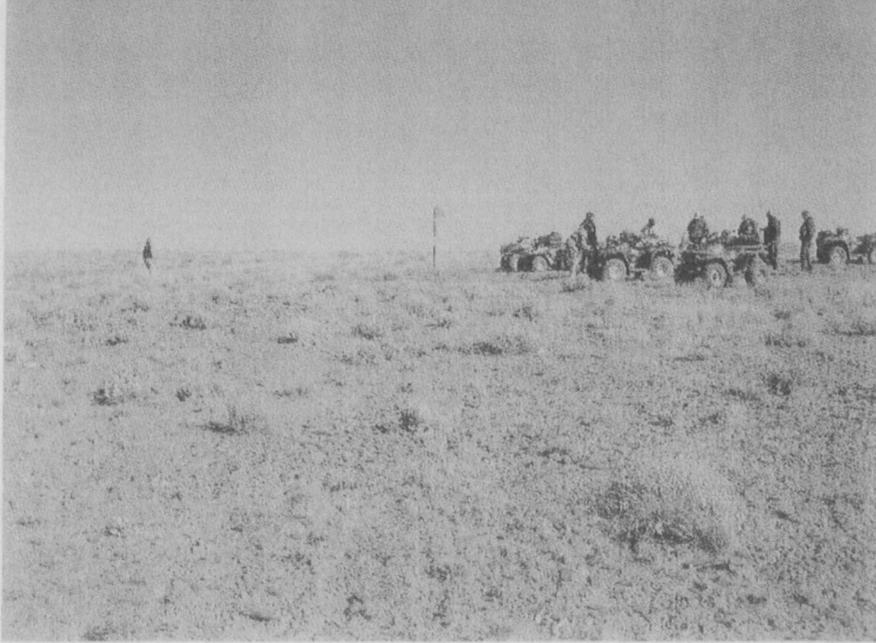
Phone: (810) 538-5280  
 FAX: (801) 359-3940

Date: March 1, 2006  
 Salt Lake City, Utah

Remarks:  
 Collapse is based on a vertical depth of 8800 ft, a mud weight of 11 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.







**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

March 22, 2006

Westport Oil & Gas Company, LP  
1368 S 1200 E  
Vernal, UT 84078

Re: Natural Buttes Unit 1022-190 Well, 740' FSL, 2065' FEL, SW SE, Sec. 19,  
T. 10 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37782.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
SITLA  
Bureau of Land Management, Vernal District Office

**Operator:** \_\_\_\_\_ Westport Oil & Gas Company, LP

**Well Name & Number** \_\_\_\_\_ Natural Buttes Unit 1022-190

**API Number:** \_\_\_\_\_ 43-047-37782

**Lease:** \_\_\_\_\_ ML-20714

**Location:** SW SE                      **Sec.** 19                      **T.** 10 South                      **R.** 22 East

### **Conditions of Approval**

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

Page 2

43-047-37782

March 22, 2006

6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. DJJ
2. CDW

**X Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:		<b>1/6/2006</b>
<b>FROM:</b> (Old Operator): N2115-Westport Oil & Gas Co., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	<b>TO:</b> ( New Operator): N2995-Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	

WELL NAME	CA No.	Unit:	NATURAL BUTTES UNIT					
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- If **NO**, the operator was contacted on:
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- Reports current for Production/Disposition & Sundries on: ok

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet

7. **Federal and Indian Units:**  
 The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006

8. **Federal and Indian Communization Agreements ("CA"):**  
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on:

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 5/15/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
- Bond information entered in RBDMS on: 5/15/2006
- Fee/State wells attached to bond in RBDMS on: 5/16/2006
- Injection Projects to new operator in RBDMS on: \_\_\_\_\_
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG  
 The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE – Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**KERR-McGEE OIL & GAS ONSHORE LP**

3a. Address  
**1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code)  
**(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SEE ATTACHED**

5. Lease Serial No.  
**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**MUTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <b>CHANGE OF OPERATOR</b>

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006. KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

**RECEIVED**

**MAY 10 2006**

DIV. OF OIL, GAS & MINING

*BLM BOND = C 01203  
BIA BOND = RLB 0005239*

**APPROVED 5116106**

*Earlene Russell*  
**Division of Oil, Gas and Mining**  
**Earlene Russell, Engineering Technician**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)  
**RANDY BAYNE**

Signature  
*Randy Bayne*

Title  
**DRILLING MANAGER**

Date  
**May 9, 2006**

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office \_\_\_\_\_

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.  
**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**MUTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**WESTPORT OIL & GAS COMPANY L.P.**

3a. Address **1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code) **(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SEE ATTACHED**

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <b>CHANGE OF OPERATOR</b>

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

**APPROVED** 5/16/06  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

RECEIVED  
MAY 10 2006

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>BRAD LANEY</b>	Title <b>ENGINEERING SPECIALIST</b>
Signature	Date <b>May 9, 2006</b>

THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>Brad Laney</i>	Title	Date <b>5-9-06</b>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office		

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-20714</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>NATURAL BUTTES UNIT</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>NATURAL BUTTES UNIT</b>
2. NAME OF OPERATOR: <b>Kerr McGee Oil and Gas Onshore LP</b>		8. WELL NAME and NUMBER: <b>NBU 1022-190</b>
3. ADDRESS OF OPERATOR: 1368 S. 1200 E. CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>		9. API NUMBER: <b>4304737782</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>740' FSL 2065' FEL</b> COUNTY: <b>UINTAH</b> QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSE 19 10S 22E</b> STATE: <b>UTAH</b>		10. FIELD AND POOL, OR WILDCAT: <b>NATURAL BUTTES</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>APD EXTENSION</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON MARCH 22, 2006.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-21-07  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 2/20/07  
Initials: [Signature]

NAME (PLEASE PRINT) <u>RAMEY HOOPES</u>	TITLE <u>REGULATORY CLERK</u>
SIGNATURE <u>Ramey Hoopes</u>	DATE <u>2/12/2007</u>

(This space for State use only)

RECEIVED  
FEB 20 2007

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4304737782  
**Well Name:** NBU 1022-190  
**Location:** SWSE, SEC 19-T10S-R22E  
**Company Permit Issued to:** KERR MCGEE OIL AND GAS ONSHORE LP  
**Date Original Permit Issued:** 3/22/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

Ramey Hoopes  
Signature

2/12/2007  
Date

Title: Regulatory Clerk

Representing: Kerr McGee Oil & Gas Onshore LP

**RECEIVED**  
**FEB 20 2007**  
**DIV. OF OIL, GAS & MINING**

# DIVISION OF OIL, GAS AND MINING

## ***SPUDDING INFORMATION***

Name of Company: **Kerr- McGee Oil and Gas Onshore LP**

Well Name: **NBU 1022-190**

API No: **43-047-37782** Lease Type: **State**

Section **19** Township **10S** Range **22E** County **Uintah**

Drilling Contractor **Pete Martin** Rig # **Bucket**

### **SPUDDED:**

Date **4-23-07**

Time **1:30 PM**

How **Dry**

***Drilling will Commence:*** \_\_\_\_\_

Reported by **Lou Weldon**

Telephone # **435-828-7035**

Date **4-24-07** Signed **RM**

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995  
 Address: 1368 SOUTH 1200 EAST  
 city VERNAL  
 state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737782	NBU 1022-190		SWSE	19	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>R</i> <u>B</u>	99999	<u>2900</u>	4/23/2007		<u>4/26/07</u>		
Comments: <u>MIRU PETE MARTIN BUCKET RIG. WSMVD</u> SPUD WELL LOCATION ON 04/23/2007 AT 1300 HRS,							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA UPCHEGO

Name [Signature]  
 Signature  
 SENIOR LAND SPECIALIST 4/24/2007  
 Title Date

(5/2000) To EARLENE RUSSELL From SHEILA UPCHEGO  
 Co./Dept. UTDOGIM Co. KM16  
 Phone # (801) 938-5330 Phone # (435) 701-7024  
 Fax # (801) 369-3440 Fax # (435) 701-7094

RECEIVED  
APR 24 2007

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-20714</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>UNIT #891008900A</b>
2. NAME OF OPERATOR: <b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>		8. WELL NAME and NUMBER: <b>NBU 1022-190</b>
3. ADDRESS OF OPERATOR: <b>1368 SOUTH 1200 EAST VERNAL UT 84078</b>		9. API NUMBER: <b>4304737782</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>740'FSL, 2065'FEL</b> QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSE 19 10S 22E</b>		10. FIELD AND POOL, OR WILDCAT: <b>NATURAL BUTTES</b> COUNTY: <b>UINTAH</b> STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____  <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <b>WELL SPUD</b>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 04/23/2007 AT 1300 HRS.

NAME (PLEASE PRINT) <b>SHEILA UPCHEGO</b>	TITLE <b>SENIOR LAND ADMIN SPECIALIST</b>
SIGNATURE	DATE <b>4/24/2007</b>

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-20714**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:  
**UNIT #891008900A**

8. WELL NAME and NUMBER:  
**NBU 1022-190**

9. API NUMBER:  
**4304737782**

10. FIELD AND POOL, OR WILDCAT:  
**NATURAL BUTTES**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL      OIL WELL       GAS WELL       OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**KERR MCGEE OIL & GAS ONSHORE LP**

3. ADDRESS OF OPERATOR:  
**1368 SOUTH 1200 EAST      VERNAL      UT      84078**

PHONE NUMBER:  
**(435) 781-7024**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **740'FSL, 2065'FEL**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSE 19 10S 22E**

STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>SET SURFACE CSG.</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU BILL MARTIN AIR RIG ON 05/18/2007. DRILLED 12 1/4" SURFACE HOLE TO 2015'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/170 SX HIFILL CLASS G @11.0 PPG 3.82 YIELD. TAILED CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. GOOD RETURNS TO PIT 15 +/- BBL LEAD CMT TO PIT. RAN 200' OF 1" PIPE. CMT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. GOOD CMT TO SURFACE AND FELL BACK. TOP OUT W/75 SX PREM CLASS G @15.8 PPG 1.15 YIELD DOWN BACKSIDE CMT TO SURFACE HOLE STAYED FULL.

WORT.

**RECEIVED**

**MAY 29 2007**

**DIV. OF OIL, GAS & MINING**

NAME (PLEASE PRINT) **SHEILA UPCHEGO**

TITLE **SENIOR LAND ADMIN SPECIALIST**

SIGNATURE 

DATE **5/23/2007**

(This space for State use only)

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-20714</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>UNIT #891008900A</b>
2. NAME OF OPERATOR: <b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>		8. WELL NAME and NUMBER: <b>NBU 1022-190</b>
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078	PHONE NUMBER: (435) 781-7024	9. API NUMBER: <b>4304737782</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>740'FSL, 2065'FEL</b> QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSE 19 10S 22E</b>		10. FIELD AND POOL, OR WILDCAT: <b>NATURAL BUTTES</b> COUNTY: <b>UINTAH</b> STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____  <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>FINAL DRILLING OPERATIONS</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

FINISHED DRILLING FROM 2015' TO 8829' ON 06/24/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/320 SX PREM LITE II @11.0 PPG 3.38 YIELD. TAILED CMT W/1282 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DISPLACE W/136 BBL BUMP PLUG HELD CLEAN PITS.

RELEASED PIONEER RIG 69 ON 06/25/2007 AT 1800 HRS.

**RECEIVED**  
**JUL 02 2007**  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <b>SHEILA UPCHEGO</b>	TITLE <b>SENIOR LAND ADMIN SPECIALIST</b>
SIGNATURE	DATE <b>6/25/2007</b>

(This space for State use only)

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-20714</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: <b>UNIT #891008900A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>NBU 1022-190</b>
2. NAME OF OPERATOR: <b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>		9. API NUMBER: <b>4304737782</b>
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST      VERNAL      UT      84078	PHONE NUMBER: (435) 781-7024	10. FIELD AND POOL, OR WILDCAT: <b>NATURAL BUTTES</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>740'FSL, 2065'FEL</b>		COUNTY: <b>UINTAH</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSE 19 10S 22E</b>		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____  <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>PRODUCTION START-UP</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 07/30/2007 AT 1:30 PM.  
 PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

**RECEIVED**  
**AUG 06 2007**  
**DIV. OF OIL, GAS & MINING**

NAME (PLEASE PRINT) <b>SHEILA UPCHEGO</b>	TITLE <b>SENIOR LAND ADMIN SPECIALIST</b>
SIGNATURE	DATE <b>8/1/2007</b>

(This space for State use only)



Anadarko Petroleum Corporation  
1368 S. 1200 East  
Vernal, UT 84078

## CHRONOLOGICAL WELL HISTORY

### NBU 1022-190

SWSE, SEC. 19, T10S, R22E  
UINTAH COUNTY, UT

DATE	ACTIVITY	STATUS
03/23/07	LOCATION STARTED PIONEER 69	
04/23/07	LOCATION COMPLETE PIONEER 69 SET CONDUCTOR	P/L IN, WOBR, WOAR
05/18/07	AIR RIG SPUD 9 5/8" @1994' PIONEER 69	WORT
06/12/07	TD: 2015' Csg. 9 5/8" @ 1994' MW: 8.4 Move rig to NBU 1022-190. RURT. NU and test BOPE. PU BHA @ report time.	SD: 6/XX/07 DSS: 0
06/13/07	TD: 2600' Csg. 9 5/8" @ 1994' MW: 8.8 PU BHA. Drill FE. Rotary spud @ 1400 hrs 6/12/07. Drill from 2015'-2600'. DA.	SD: 6/12/07 DSS: 1
06/14/07	TD: 3410' Csg. 9 5/8" @ 1994' MW: 8.8 Drill from 2600'-3410'. DA.	SD: 6/12/07 DSS: 2
06/15/07	TD: 4415' Csg. 9 5/8" @ 1994' MW: 9.5 Drill from 3410'-4415'. DA.	SD: 6/12/07 DSS: 3
06/18/07	TD: 6280' Csg. 9 5/8" @ 1994' MW: 10.7 Drill from 4415'-6280'. DA.	SD: 6/12/07 DSS: 6
06/19/07	TD: 6775' Csg. 9 5/8" @ 1994' MW: 10.7 Drill from 6280'-6775'. DA.	SD: 6/12/07 DSS: 7
06/20/07	TD: 7380' Csg. 9 5/8" @ 1994' MW: 11.1 Drill from 6775'-7380'. DA.	SD: 6/12/07 DSS: 8
06/21/07	TD: 7995' Csg. 9 5/8" @ 1994' MW: 11.1 Drill from 7380'-7995'. DA.	SD: 6/12/07 DSS: 9
06/22/07	TD: 8430' Csg. 9 5/8" @ 1994' MW: 11.4 Drill from 7995'-8430'. TFNB @ report time.	SD: 6/12/07 DSS: 10
06/25/07	TD: 8829' Csg. 9 5/8" @ 1994' MW: 11.6 Finish bit trip. Drill f/ 8430'-8829'. CCH and short trip. TOOH. RU and run logs to TD. TIH, CCH, and LDDP. Running 4.5" prod csg @ report time.	SD: 6/12/07 DSS: 13
06/26/07	TD: 8829' Csg. 9 5/8" @ 1994' MW: 11.6 Run and cement 4.5" prod csg. Set slips and release rig @ 1800 hrs 6/25/07. RDRT.	SD: 6/12/07 DSS: 14

07/23/07

**MIRU**

Days On Completion: 1

Remarks: Day #1] 7:00 HSM ROAD RIG FROM NBU 1022-18G TO NBU 1022-190, MIRU SPOT EQUIP, [NO TBG] CALLED DELSCO TO MAKE PBDT RUN, TAGGED @ 8740'. MIRU CUTTERS WIRE LINE SERVICE P/U RIH W/ BOND LOG TAGGED @ 8723' LOGGED TO SURFACE, CEMENT TOP @ L/D TOOLS, R/D CUTTERS, MOVED IN TBG FLOAT, P/U 3-7/8 MILL W/ X-OVER TALLEY & P/U 2-3/8 J-55 TBG 257 JNTS EOT @ 8047' SWIFN. 7:00

07/24/07

**C/O CEMENT**

Days On Completion: 2

Remarks: DAY #2] 7:00 HSM OOPEN WELL UP CONTINUE TO P/U 2-3/8 TBG TAG @ 8780' HOOK UP CIRC EQUIP REVERSE CIRC HOLE CLEAN [ WET HEAVY CEMENT IN RETURNS ] POOH S/B, R/D TBG EQUIP, N/D BOPE, N/U FRAC VALVES, MIRU TESTERS, PRESSURE TEST FRAC VALVES & CSG, LOW TEST 500#, HIGH TEST 7500#, R/D TESTERS, MIRU CUTTERS WIRE LINE & WEATHERFORD FRAC CREW, P//U RIH W/ 3-3/8 PERF GUN PERFORATE MESAVERDE 8731'-8740' 4 SPF, 90\* PH, 23GM 0.36" HOLE, 36 HOLES.

STG #1] WHP= 120#, BRK DN PERFS @ 4304#, INJ RT= 3.1, INJT PSI=4100, ISIP=2706#, FG=.76, PUMP'D 705.7 BBLs SLK/WTR & 18401# 30/50 MESH SD, FG=.74, AR=35.1, AP=3545, MR=35.6, MP=5655, ISIP=2627#, NPI=-79, 75% PERFS OPEN, PUMPED 5000# RESIN COAT @ END.

STG #2] P/U RIH W/ BKR 8K CBP & PERF GUN, SET CBP @ 8454', PERF MESA VERDE 8418'-8424' 4 SPF, 90\* PH, 24 HOLES, 8380'-8384" 4 SPF, 90\* PH, 16 HOLES- USING 3-3/8 GUNS, 23 GM, 0.36" HOLE [40 HOLES]= WHP=0#, BRK DN PERFS @ 4551, IJT RT=3.3, INJ PSI=4551, ISIP=2724#, FG=.77, PUMP'D 1633BBLs SLK/WTR & 57405# 30/50 MESH SD, FG=.81, AR=49.5, AP=5354, MR=53.9, MP=7909, ISIP=3133#, NPI=409, 90% PERFS OPEN, 5085# RESIN COAT SAND. NOTE SCREENED OF W/ 17 BBLs LEFT IN FLUSH FLOWED WELL BACK FOR 20 MIN & REFLUSHED.

STG #3] P/U RIH W/ BKR 8K CBP & PERF GUNS, SET CBP @ 8300' PERF MESAVERDE 8266'-

07/25/07

**FRAC**

Days On Completion: 3

Remarks: DAY #3] STG #3] HSM W/ WTHRFRD FRC CREW- WHP= 600#, BRK DN PERS @ 45013, INJT RT=3.3, INJ PSI=4501#, ISIP=3172#, FG=.83, PUMP'D 941.7 BBLs SLK/WTR & 30360# 30/50 MESH SD, FG=.77, AR=41.5, AP=3885#, MR=41.7, MP=6970#, ISIP=2693#, NPI=479#, 90% PERFS OPEN, 5058# RESIN COAT.

STG #4] P//U RIH W/ BKR 8K CBP & PERF GUN, SET CBP @ 7650', PERF MESAVERDE @ 7617'-7620' 4 SPF, 90\* PH, 12 HOLES, 7573'-7576' 3 SPF, 120 8 PH, 9 HOLES, 7491'-7494' 4 SPF, 90\* PH, 12 HOLES, 7463'-7466' 4 SPF, 90\* PH, 12 HOLES [45 HOLES] WHP=340#, BRK DN PERFS @ 2658#, INJ RT=2.9, INJ PSI=2658, ISIP=1810#, FG=.68, PUMP'D 2253.6 BBLs SKL/WTR & 81850# 30/50 MESH SD, FG=.77, AR=51.9, AP=3691#, MR=53.6, MP=4759, ISIP=2470#, NPI=460#, 66% PERFS OPEN, PUMP'D 5085# RESIN COAT.

STG #5] P/U RIH W/ BKR 8K CBP & PERF GUN, SET CBP @ 7413', PERF MESAVERDE 7329'-7334' 4 SPF, 90\* PH, 20 HOLES, 7264'-7266" 3 SPF, 120\* PH, 6 HOLES, 7247'-7250' 4 SPF, 90\* PH, 12 HOLES, 7147'-7149' 4 SPF, 90\* PH, 8 HOLES, [40 HOLES] USING 3-3/8 EXP GUN, 23 GM, 0.36" HOLE. WHP=90#, BRK DN PERFS @ 3553#, INJ RT=2.4, INJ PSI=3553#, ISIP=2243#, FG=.75, PUMP'D 2409.6 BBLs SLK/WTR & 86458# 30/50 MESH SD, FG=.82, AR=51.8, AP=3940#, MR=53.1, MP=4906#, ISIP=2723#, NPI=480, 52% PERFS OPEN, PUMP'D 5000# RESIN COAT.

STG #6] P/U RIH W/ BKR 8K CBP & PERF GUN, SET CBP @ 6953', PERF MESAVERDE

6918'-6923' 4 SPF, 90\* PH, 20 HOLES, 6842'-6846' 4 SPF, 90\* PH, 20 HOLES, [40 HOLES ] USING 3-3/8 EXP GUN, 23 GM, 0.36" HOLE. WHP=100#, BRK DN PERFS @ 3489#, INJ RT=3.0, INJ PSI=3489#, ISIP=1699#, FG=.69, PUMP'D 1316 BBLS SLK WTR & 45302# 30/50 MESH SD, FG=.78, AR=51.9, AP=3534#, MR=52.3, MP=4485#, ISIP=2340#, NPI=641#, 68% PERFS OPEN, PUMP'D 5000# RESIN COAT.

STG #7] P/U RIH W/ BKR 8K CBP & PERF GUN, SET CBP @ 6750', PERF WASATCH 6710'-6714' 4 SPF, 90\* PH, 16 HOLES, 6657'-6660' 4 SPF, 90\* PH, 12 HOLES, 6634'-6638' 4 SPF, 90\* PH, 16 HOLES, [44 HOLES] WHP=50#, BRK DN PERFS @ 3094#, INJ RT=3.3, INJ PSI=3094, ISIP=1291#, FG=.64, PUMP'D 2413.1 BBLS SLK/WTR & 87188# 30/50 MESH SD, FG=.77, AR=52, AP=3254#, MR=52.3, MP=3461#, ISIP=2181#, NPI=890#, 56% PERFS OPEN, PUMP'D 5000# RESIN COAT.

STG #8] P/U RIH W/ BKR 8K CBP & PERF GUN, SET CBP @ 6069', PERF WASATCH 6030'-6039' 4 SPF, 90\* PH, 3-1/8 HSC, 12 GM, 0.34" HOLE, [36 HOLES] SWIFN. 6:00

07/26/07

**DRILL CBP'S**

Days On Completion: 4

Remarks: DAY #4] 7:00 HSM W/ WTHRFRD FRAC & CUTTERS WIRE LINE

FRAC STG #8] WHP=760#, BRK DN PERFS @ 2589#, INJ RT=3.3, INJ PSI=3094#, FG=.64, ISIP=1291#, PUMP'D 357.2 BBLS SLK/WTR & 9603# 30/50 MESH SD, FG=.78, AR=36.1, AP=2647#, MR=36.8, MP=2864, ISIP=2041#, NPI=441#, 100% PERFS OPEN, PUMP'D 5085# RESIN COAT.

STG #9] P/U RIIH W/ BKR 8K CBP & PERF GUN, SET CBP @ 5640', PERF WASATCH 5611'-5614' 3 SPF, 120 8 PH, 9 HOLES, 5594'-5598' 3 SPF, 120\* PH, 12 HOLES, 5559'-5562' 4 SPF 90\* PH, 12 HOLES, 5478'-5481' 3 SPF, 120\* PH, 9 HOLES, [42 HOLES] WHP=0#, BRK DN PERFS @ 3391#, INJ RT=2.8, INJ PSI=3391#, ISIP=1921#, FG=.79, PUMP'D 434.1 BBLS SLK/WTR & 10161# 30/50 MESH SD, FG=.74, AR=50.2, AP=3065#, MR=51.5, MP=4019#, ISIP=1638#, NPI=-283#, 100% PERFS OPEN, PUMP'D 5000# RESIN COAT. P/U RIH W/ BKR 8K CBP & SET @ 5410' [KILL PLUG] R/D CUTTERS WIRE LINE & WTHRFRD FRAC CREW, N/D FRAC VALVES, N/U BOPE, P/U RIH W/ 3-7/8 BIT W/ POBS PKG, 2-3/8 J-55 TBG. KILL PLUG] TAG PLUG @ 5410' [NO FILL] P/U PWR SWVL EST CIRC DRL THROUGH BKR 8K CBP IN 8 MIN, 300# INCREASE.

PLUG #2] CONTINUE TO RIH TAG SAND @ 5630' [20' FILL] C/O DRL THROUGH BKR 8K CBP @ 5650', 6 MIN, 100# INCREASE.

PLUG #3] CONTINUE TO RIH TAG SAND @ 6055' [15' FILL] C/O DRL THROUGH BKR 8K CBP @ 6070' 6 MIN, 400# INCREASE.

PLUG #4] CONTINUE TO RIH TAG SAND @ 6720' [30' FILL] C/O DRL THROUGH BKR 8K CBP @ 6750' 6 MIN, 100# INCREASE.

PLUG #5] CONTINUE TO RIH TAG SAND @ 6930' [30' FILL] C/O DRL THROUGH BKR 8K CBP @ 6960' 6 MIN, 200# INCREASE.

PLUG #6] CONTINUE TO RIH TAG SAND @ 7334' [30' FILL] C/O DRL THROUGH BKKR 8K CBP @ 7364' 6 MIN, 200# INCREASE.

PLUG #7] CONTINUE TO RIH TAG SAND @ 7620' [30' FILL] C/O DRL THROUGH BKR 8K CBP @ 7650' 1 HR 10 MIN 300# INCREASE.

PLUG #8] CONTINUE TO RIH TAG SAND @ 8720' [30' FILL] C/O DRL THROUGH BKR 8K CBP @ 8300' 6MIN, 200# INCREASE.

PLUG #9] CONTINUE TO RIH TAG SAND @ 8424' [30' FILL] C/O DRL THROUGH BKR 8K CBP @ 8454' 6 MIN 400# INCREASE. CONTINUE TO RIH C/O TO PDTD @ 8768' CIRC HOLE CLEAN, R/D PWR SWVL, L/D 42 JNTS ON FLOAT, P/U HANGER LUBRICATE IN HOLE & LAND W/ 247 JNTS 2-3/8 J-55 TBG, EOT @ 7715.99' DROP BALL PUMP 20 BBLS DID NOT SEE BIT DROP, WELL FLOWING UP TBG SWI. 8:00

TBG DETAIL

KB

18.00

HANGER	.83
247 JNTS 2-3/8 J-55	7694.74
PROFILE NIPPLE ["R"]	2.42
EOT @	7715.99
292 JNTS BROUGHT TO LOC	
247 JNTS USED IN WELL	
44 JNTS SENT BACK	
1 JNT BAD	

**07/27/07**      **FLOWBACK REPORT:** CP 1600#, TP 1375#, CK 20/64", 65 BWPH, LOAD REC'D 1599 BBLS, LLTR 8505 BBLS

**07/28/07**      **FLOWBACK REPORT:** CP 1760#, TP 1400#, CK 20/64", 50 BWPH, LOAD REC'D 2929 BBLS, LLTR 7175 BBLS

**07/29/07**      **FLOWBACK REPORT:** CP 2040#, TP 1450#, CK 20/64", 40 BWPH, LOAD REC'D 3934 BBLS, LLTR 6170 BBLS

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-20714</b>
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: <b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>		7. UNIT or CA AGREEMENT NAME <b>UNIT #891008900A</b>
3. ADDRESS OF OPERATOR: <b>1368 S 1200 E VERNAL UT 84078</b>		8. WELL NAME and NUMBER: <b>NBU 1022-190</b>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>740'FSL, 2065'FEL</b>  AT TOP PRODUCING INTERVAL REPORTED BELOW:  AT TOTAL DEPTH:		9. API NUMBER: <b>4304737782</b>
PHONE NUMBER: <b>(435) 781-7024</b>		10. FIELD AND POOL, OR WILDCAT <b>NATURAL BUTTES</b>
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSE 19 10S 22E</b>		12. COUNTY <b>UINTAH</b>
		13. STATE <b>UTAH</b>

14. DATE SPURRED: <b>4/23/2007</b>	15. DATE T.D. REACHED: <b>6/24/2007</b>	16. DATE COMPLETED: <b>7/30/2007</b>	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): <b>5360'GL</b>
18. TOTAL DEPTH: MD <b>8,829</b> TVD	19. PLUG BACK T.D.: MD <b>8,768</b> TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**CBL-CCL-GR ; HDZ / COMP 2-DEN / COMP NEW / GRICAL**

23. WAS WELL CORED? NO  YES  (Submit analysis)  
 WAS DST RUN? NO  YES  (Submit report)  
 DIRECTIONAL SURVEY? NO  YES  (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3#		2,015		545			
7 7/8"	4 1/2 I-80	11.6#		8,829		1602			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	7.716							

26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) WASATCH	5,478	6,714			5,478 6,714	0.36	122	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) MESAVERDE	6,841	8,740			6,841 8,740	0.36	247	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5478'-6714'	PMP 3204 BBLS SLICK H2O & 106,952# 30/50 MESH SD
6841'-8740'	PMP 9188 BBLS SLICK H2O & 319,776# 30/50 MESH SD

29. ENCLOSED ATTACHMENTS: <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER: _____ <input type="checkbox"/> DIRECTIONAL SURVEY	30. WELL STATUS: <b>PROD</b>
--	---------------------------------

**RECEIVED**  
**SEP 04 2007**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 7/30/2007		TEST DATE: 8/12/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,175	WATER - BBL: 400	PROD. METHOD: FLOWING
CHOKE SIZE: 18/64	TBG. PRESS. 1,158	CSG. PRESS. 1,641	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,175	WATER - BBL: 400	INTERVAL STATUS: PROD

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 7/30/2007		TEST DATE: 8/12/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,175	WATER - BBL: 400	PROD. METHOD: FLOWING
CHOKE SIZE: 18/64	TBG. PRESS. 1,158	CSG. PRESS. 1,641	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,175	WATER - BBL: 400	INTERVAL STATUS: PROD

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

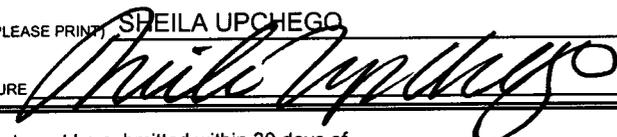
Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,205 6,753	6,753			

34. FORMATION (Log) MARKERS:

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST  
 SIGNATURE  DATE 8/21/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top -- Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340  
 1594 West North Temple, Suite 1210  
 Box 145801 Fax: 801-359-3940  
 Salt Lake City, Utah 84114-5801